

HCS SB 665 -- AGRICULTURE

QUALIFIED BEEF TAX CREDIT AND MEAT PROCESSING FACILITY INVESTMENT TAX CREDIT (Sections 135.679 and 135.686, RSMo)

This bill modifies the "Qualified Beef Tax Credit Act" by modifying the baseline weight to be the average of the previous two years and extending the sunset on the credit from December 31, 2016, to December 31, 2021. Currently, a farmer can receive the tax credit of 10 cents per pound for each pound as long as the sale weight is 200 pounds over the baseline weight. The bill would allow for a credit of 10 cents per pound for each pound as long as the sale weight is 100 pounds over the baseline weight if the sale weight is under 600 pounds and 25 cents per pound for each pound as long as the sale weight is 100 pounds over the baseline weight if the sale weight is 600 pounds or greater. A taxpayer may not claim credit of more than \$15,000 per year and can only claim the credit for up to three years.

This bill also creates the "Meat Processing Facility Investment Tax Credit Act," which beginning January 1, 2017, and ending December 31, 2021, authorizes a tax credit for 25% of the amount the taxpayer spent for meat processing modernization or expansion for the year. The taxpayer may not claim a credit of more than \$75,000 per year. The credit may be assigned, transferred, or sold.

The amount of credit claimed under the Qualified Beef Tax Credit and the Meat Processing Facility Investment Tax Credit may not exceed a total of \$2 million per calendar year.

AGRIMISSOURI TRADEMARK (Section 261.235)

Currently, the "AgriMissouri Advisory Commission for Marketing Missouri Agricultural Products" may establish a fee structure for sellers electing to use the AgriMissouri trademark associated with Missouri agricultural products with the fee varying depending upon the amount of the seller's gross annual sales. This bill allows the commission to adopt a fee structure so long as the fees established and collected do not yield revenue greater than the costs of administering the objectives of the AgriMissouri Advisory Commission and the AgriMissouri trademark to sellers using the trademark in the ensuing year.

FARM-TO-TABLE PROGRAM (Sections 262.960, 262.962, and 348.407)

The bill changes and expands the Farm-to-School Program to the Farm-to-Table Program to include schools, correctional facilities, hospitals, nursing homes, and military bases. The bill requires the Department of Agriculture to establish guidelines for

participation and program goals, including that participating institutions must purchase at least 10% of their food locally by December 31, 2019. The department is prohibited from requiring an institution to participate in the Farm-to-Table Program.

The bill also changes and expands the Farm-to-School Taskforce to the Farm-To-Table Taskforce to include a representative from the departments of Corrections and Health and Senior Services and a representative from one of the state's military bases. The Director of the Department of Corrections will appoint one person who is employed as a correctional facility food service director and the Director of the Department of Health and Senior Services will appoint one person who is employed as a hospital or nursing home food services director.

TAX CREDITS (Sections 348.430, 348.432, and 348.436)

Currently, the agricultural product utilization contributor tax credit and the new generation cooperative incentive tax credit expire on December 31, 2016. The bill extends the sunset on these tax credits to December 31, 2021 and requires the authority to submit to the General Assembly a report analyzing the costs and benefits of the programs each year.

MOTOR FUEL INSPECTION FEE (Section 414.082)

Currently, the fee for the inspection of certain motor fuels shall not be less than 1.5 cents per barrel and shall not exceed 2.5 cents per barrel. This bill specifies that the per barrel fee may not exceed 4 cents per barrel from 2017 to 2021, and may not exceed 5 cents per barrel from 2022 and thereafter.